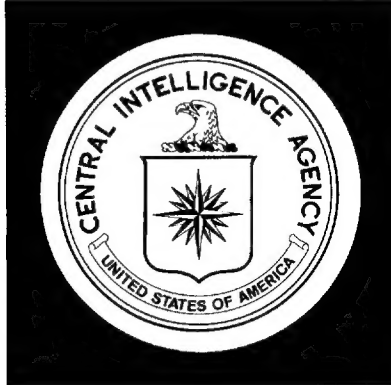


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Intelligence Memorandum

Political Discontent in South Vietnam

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November 18, 1974

Political Discontent in South Vietnam

Key Judgments

The recent upsurge of opposition political activity in South Vietnam comes against a backdrop of growing public frustration based primarily on worsening economic conditions over the past two years. The small radical opposition elements responsible for the agitation and demonstrations of the past two months do not represent a serious or immediate threat to the authority of President Thieu and there seems little reason to expect significant erosion of his political position during the next three to five months.

--Buddhist and Catholic activists are not united and lack the full endorsement or active backing of their respective Church hierarchies.

--To date they have had far more success in attracting foreign press coverage of their activities than in converting public frustration into active opposition to the government.

President Thieu has been able to cope with this level of opposition without resorting to severe repressive measures.

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--The government's policy of restraint has created no martyrs and helped to protect Saigon's image at home and abroad.

--Thieu is in position to deflate or preempt some of the opposition charges. He has already taken some strong actions in shaking up his cabinet and in sacking or transferring large numbers of corrupt military officers.

--Most South Vietnamese do not now see an acceptable alternative to Thieu's policies regarding the war, the Communists, or the country's economic problems.

Over the longer term, political unrest and opposition could become a growing problem for the government. At a minimum, political agitation and unrest is likely to continue, and may intensify, as next fall's presidential elections near.

--Last summer's intensification of Communist military pressure and the prospect of declining US assistance, however, have contributed to a new sense of public pessimism regarding the government's ability to cope with the country's economic problems or to hold the military line against the Communists.

In the final analysis, political stability in Saigon will depend on things over which the present political opposition has little control--the course of the war, economic developments, and future US aid levels.

--A combination of major military setbacks, continuing economic decline and further reductions in US assistance would cause popular pressure to mount for Thieu to step aside in favor of a new government prepared to renegotiate the cease-fire.

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--Accommodation with the Communists would require extensive political and military concessions on the part of Saigon which no significant non-Communist political element would be prepared to make today.

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Political Discontent in South Vietnam

The recent upsurge in political activity in South Vietnam by Catholic and Buddhist dissidents and a number of less significant opposition elements primarily reflects the grim economic situation which has developed over the past two years in the South; secondary factors are public frustration over the continuing hostilities, the poor prospects for peace, public uncertainty regarding the future reliability of American support, and the fact that various opposition elements are beginning to maneuver for next year's national elections. The end of American military presence, declining levels of US aid, and a dramatic shift of population from rural to urban areas have combined to magnify the impact of worldwide inflation in South Vietnam and create a substantial level of popular frustration and discontent in South Vietnam's cities. The standard of living has been reduced, unemployment has risen and the real income of urban residents and those on fixed incomes has declined sharply.

Given this setting of economic hardship, it is not surprising that the opposition has focused its attack against the government's failure to curb corruption in official ranks. Corruption within the government normally has been accepted and shrugged off as a tolerable evil. But at a time when the Vietnamese people are being subjected to bleak forecasts and repeated calls for belt tightening, Thieu and his administration are obviously more vulnerable to attack on this issue. The government has not been blind to this problem and has often engaged in anti-corruption campaigns in the past. But the alacrity with which Thieu denied recent opposition charges of corruption within his immediate family and his action in removing large numbers of corrupt military officers indicates that he is increasingly concerned and recognizes that this issue might serve as the catalyst for widespread political ferment.

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The political dissidents now grabbing the headlines in South Vietnam include a small number of Catholic and Buddhist hard core activists, disaffected elements of the press and various small opposition groups represented in the two houses of the South Vietnamese legislature. They do not represent the more moderate and influential political opposition which is unhappy with Thieu's refusal to broaden the base of his government but unwilling to contribute to political instability which could play into the hands of the Communists. The two most significant radical opposition groups, the Catholic People's Anti-Corruption Movement and the Buddhist National Reconciliation Force, have not had any notable success thus far in tapping public frustration or converting it into active opposition to the government. The vast bulk of the urban and rural population has been untouched by political agitation and the foreign press has exaggerated the size of opposition demonstrations. Nevertheless, the small number of Buddhist and Catholic activists who comprise the hard core of their movements are continuing to organize in Saigon and the provinces and appear determined to press their attacks against the government.

By banding together, the various opposition groups could achieve greater momentum and project an image of greater political disarray in South Vietnam. There is, however, little precedent for such opposition unity and no sign that an anti-government united front will emerge anytime soon.

Another factor that has kept political agitation in bounds has been the fence-sitting attitude of the Catholic and Buddhist hierarchies toward their respective opposition splinter groups. The Buddhists view themselves as the principal political as well as religious force in the South, and they have not hesitated in the past to take to the streets to protest government policies. In recent years, however, this militancy has been moderated by internal factionalism, the crushing defeat in 1966 of the last Buddhist political move against

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the government, and by a growing anti-Communist orientation following the Hue massacres of 1968. The leaders of the An Quang Buddhist faction would like very much to pressure Thieu from office before next year's presidential elections. They want, however, to be virtually certain of success before actively committing themselves against Thieu and realize that the President's position is not yet seriously weakened.

Another factor inhibiting aggressive Buddhist action against Thieu is internal disunity brought on by personal rivalries within the Church leadership. Such internal differences might eventually be put aside, but this would be likely only if a combined Buddhist leadership senses a severe weakening of Thieu's position.

The Catholic hierarchy, anti-Communist and pro-government in the past, finds it difficult to stand in open opposition against Thieu. The Church leadership has acknowledged that corruption is a valid issue, but has avoided endorsement of the People's Movement Against Corruption.

The government has been able to cope with the kind of opposition that has emerged so far without having to resort to severe repressive measures. In fact, President Thieu has thus far reacted to the demonstrations with restraint--a well-advised approach that has created no martyrs and protected the government's image at home and abroad. If the opposition begins to resort to more violent tactics in order to provoke a confrontation on the streets of Saigon, there is little doubt that the government would adopt a harder approach. The massive police presence in Saigon over the November 1 National Day period and Thieu's implied warning in his National Day speech that a tougher government approach might be in the offing could be enough to cause a slackening of opposition activities in the weeks ahead.

Thieu's position vis-a-vis the political opposition will become clearer by early next year. By that time the now embryonic anti-government

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groups will have had ample time to develop whatever potential exists for a well-rooted popular movement. Much of the initial agitation represents preliminary maneuvering for next year's presidential and Lower House elections. The prospect of another full term for Thieu could yet breathe some new life and unity into the opposition and political agitation may increase if, as still seems likely, Thieu declares his candidacy for reelection.

On the other hand, the government may be in a position to preempt or deflate some of the opposition issues in the next few months. On the critical economic front there are a few short-term bright spots in the generally bleak outlook. A combination of improved stocks and a good harvest this year leaves South Vietnam in a strong food situation. The Saigon retail price index has held relatively stable for the past two months despite the political disruptions that have occurred in the capital. The short-term psychological boost provided by recent indications of an oil find in South Vietnamese waters should also work in favor of the government.

Much will depend on the scope and effectiveness of Thieu's response to opposition demands for reform. Thieu has moved to meet some of the opposition's protests by his recent dismissal of his economic ministers, his sacking of a large number of corrupt military officers, his transfer of some senior commanders, and his liberalization of press censorship and political party and labor regulations. The reform measures that Thieu has taken or could take in the future will not deter radical opposition activists from pressing their attacks. Their public impact, however, could undercut radical opposition efforts to attract wider popular support in the months ahead.

The Longer Term

To date, President Thieu has been able to cope with the current political agitation without great difficulty. He continues to have the support of

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the military and there seems little reason to expect significant erosion of his political position during the next three to five months. Beyond this time frame, the outlook is less certain.

It is difficult to translate popular frustration into concrete opposition potential or to gauge the effect of war-weariness on a population that has lived with war for 30 years. The South Vietnamese population generally recognizes that conditions and prospects in Communist-controlled areas are bleak and unacceptable. There is also a general recognition that no other group of South Vietnamese leaders would be any more successful in securing greater US or other foreign aid. Nevertheless, last summer's intensification of Communist military pressure and the prospect of diminishing US support have contributed to a new sense of pessimism regarding the Thieu government's ability to cope with the country's economic problems or to hold the military line against the Communists. At this point, Thieu's administration symbolizes to a small minority of South Vietnamese the perpetuation of a "no win" situation without hope for peace or economic improvement, and as the war grinds on this feeling could become more pronounced and widespread. At a minimum, the high degree of economic and military pressure the South is almost certain to face in the years ahead will probably mean that frequent demonstrations and protest actions will become a familiar feature of the South Vietnamese political landscape in contrast to the relative calm of the last two years.

Given President Thieu's firm control of the levers of power and the present lack of unity and commitment of the opposition side, the government should continue to be able to contain such political pressures. But the risks of government miscalculation, adverse publicity and Communist exploitation inherent in a high level of political agitation will bring a new element of uncertainty to the South Vietnamese situation.

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Over the longer term, future political developments in Saigon are highly problematical. Thieu's continued authority, as well as the very survival of the present South Vietnamese government, will depend on factors over which the political opposition has little control. If heavier Communist offensive action in next year's dry season results in major territorial gains and heavier government casualties, a defeatist psychology could begin to take hold in earnest and popular sentiment for change could begin to snowball. A failure by the US Congress to restore some of the cuts in US military assistance for 1975 or future reductions in the overall level of US aid could have a similar effect. Under such extreme circumstances, Thieu's departure would become a much greater possibility than it is today. Thieu, unlike Ngo Dinh Diem, could well choose to step down voluntarily or at the request of his military colleagues in order to head off a full blown political crisis which could paralyze the government and play into the hands of the Communists. The end result would be another military dominated government with Prime Minister Khiem or some other senior officer replacing Thieu.

The exact makeup of a successor regime and its policies would probably depend on the severity of the situation facing South Vietnam. Such a government might be prepared to explore the possibility of renegotiating the cease-fire as a means of mollifying anti-war sentiment and gaining respite from Communist military pressure. But, any accommodation agreement with the Communists would require extensive political and military concessions on the part of Saigon which no significant non-Communist South Vietnamese political element would be prepared to make today. This lack of widely acceptable alternatives to present policies regarding the war and the Communists is a major obstacle to the development of a more serious domestic opposition to Thieu in the near future.

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